

**news from**

# **Senator DANIEL K. INOUE**

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Speech By  
Daniel K. Inouye, Chairman  
Senate Select Committee on Intelligence  
Before the Intelligence Community  
Langley, Virginia  
June 17, 1977

The Director of Central Intelligence, Admiral Turner, his able deputy for the CIA, Hank Knoche, members of the Intelligence Community:

I am very happy to be here today with you who have dedicated yourselves to the service of our country through a career in the Intelligence Community. This is the first occasion that I have had to speak directly about my views on the state of our nation's intelligence services since becoming Chairman of the Senate Select Committee on Intelligence a year ago.

I want to say at the outset that I very much respect and value the many contributions you have made and continue to make for our country. As I have come to learn more and more about the crucial services that the Intelligence Community of the United States have performed for the people of this country, my admiration and regard for those who have elected to serve in this difficult craft has grown.

Under Stan Turner's leadership, the Intelligence Community, I am certain, will continue to serve the country with distinction.

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I know that I speak for the other members of the Committee when I say how much we appreciate the trust and the forthright cooperation that you in the Intelligence Community have given to further the work of the Select Committee. That trust and forthrightness has enabled us to understand in great detail what it is you do and how valuable and necessary what you do is for the country. It is clear to me that over the past thirty years the United States has developed an effective intelligence system, the best in the world, although in some important respects it is not as effective as it might be. Those of you here who work at the various tasks associated with the acquisition of useful intelligence and making sense out of what we learn, are in a good position to know the strengths and weaknesses of our national intelligence system. What I have to say today is largely based upon what I have learned from you.

The Committee has no intention of taking any actions that would weaken our intelligence system. On the contrary, the purpose of the Committee is to strengthen our national intelligence system and to assure that its necessary activities are mandated by sound law consistent with the Constitution and the Bill of Rights.

Those of us who serve our country in the Congress or in the Executive branch have learned much since the Second World War about the need for and uses of intelligence. We have been able to enhance our power in the world through the more detailed and accurate understanding of other nations. We know more precisely each year the capabilities of other nations' military forces, understand better the nature of their politics, the strength of their economies, and the traditions of their cultures. Looking back to the fears and uncertainties of the immediate postwar period, without question, our security in military terms has been enhanced, and confidence in our diplomatic efforts reflected in negotiations, such as SALT, have been strengthened, in large measure because of the remarkable capabilities of our intelligence system.

The past several years have been years of great trial for all of the intelligence agencies. The charges of abuse and illegality have brought dishonor to the reputation of the intelligence agencies and has hurt the credibility of their worthy efforts in the eyes of the American people. We all recognize that some of these charges have been proven to be correct. There were abuses of power, although it is clear that the overwhelming majority engaged in intelligence work have performed their duties within the law and with the greatest dedication and personal sacrifice.

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It is clear that since the CIA was created in 1947 by the National Security Act, the intelligence system of the United States has grown to proportions unimagined at that time. Our intelligence agencies have engaged in activities not contemplated, or whose effects were not understood by those who wrote that 1947 statute. The Intelligence Committee and its predecessor Committee have spent the past several years not only examining charges of abuses, but in my view, far more importantly, trying to understand the need for intelligence, how intelligence activities are conducted, and what might be done to improve its quality and thereby its benefits to the country. This has been the major effort which the Senate Select Committee of which I have the honor to be Chairman, has been engaged in.

Building upon the foundations laid by others, the constructive work done by the Church Committee, the suggestions submitted by former intelligence and defense and foreign policy officials, and experts in various fields inside and outside of government, the Committee has looked with care and depth at the structure and nature of our intelligence system.

Changes are clearly needed.

I would like to share my conclusions with you about what new directions the agencies should go, what changes in structure are necessary, and what laws need to be passed to place our national intelligence system firmly under the Constitution and the law. I come to these conclusions, I believe, with some objectivity because I plan to voluntarily retire from the Chairmanship of the Select Committee at the end of this year. I am resigning because I believe it is important for the Senate and for the intelligence agencies to have overseers who come to the issues as I have come to them -- with an open and relatively objective point of view and with the time to commit to the important task of oversight. I have devoted more time to the work of intelligence than to any other of my duties. To do the job right requires setting aside other tasks -- this is difficult for a Senator to do for too long.

I am leaving the Chairmanship because I believe the objectivity, time and attention required to do the job properly compels a regular rotation of Chairmanship as well as setting a limitation on the number of years members of the Committee and members of the Committee staff may serve. In my view, the Chairman should not serve more than a two year term. The responsibility and the opportunity to carry the burden for leadership as well as the benefits should be shared by as many Senators

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as possible. This system of rotation will create a growing body of better informed Senators as well as a legislative constituency which can speak authoritatively for the needs of the Intelligence Community.

There has been considerable comment in the press that a battle is underway at the highest levels of government concerning the future structure of the Intelligence Community. I think it is correct to say that fundamental decisions will be made by the President, his chief advisors, and the Congress in the next few weeks and months. The issues at stake have been awaiting decision for over a decade.

These past three years have been a time of examination and reassessment. The past year in particular has given the Select Committee on Intelligence the opportunity to consider questions of the purpose for United States intelligence, its limitations, its missions, and the organizational and legal structure within which intelligence activities should take place. We have been able to do that with some objectivity, free from the heightened atmosphere of charge and countercharge so dominant in previous years.

I would like to share with you my own views. I have come to these conclusions after a year's intensive study of the activities in the various departments and agencies that make up the Intelligence Community and as a result of the Committee's review of past studies made of the Intelligence Community since 1950 and the Committee's review of our overseas activities.

First, some premises:

- 1) Intelligence is not an end in itself. It is a service function that contributes to our foreign policy, defense and economic policies.
- 2) The major purpose of our intelligence system is to provide timely and accurate information about the politics, economics, and military capabilities of other nations. Without question, timely and accurate information and cogent analysis of activities in the world serves to improve the quality of foreign policy-making and the decisions made by our government.

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- 3) Such other activities, as the Intelligence Community performs overseas aside from the collection of information about the politics, economics and military forces of other nations are defensive. They are primarily undertaken to negate the hostile activities of other intelligence services. Far too often in the past, our intelligence agencies have been used unwisely as an aggressive extension of our foreign policy.

Accurate and timely information from intelligence and rigorous analysis of that information can serve as an important check and balance within our national security institutions. It serves as a test of the rational validity of any foreign, economic or defense policy and as a restraint on ill-conceived and unsound policies.

The nature, methods and focus of intelligence have changed since the war and continues to change. In the early postwar years when the threat of cataclysmic war seemed an imminent possibility, the overwhelming focus of our intelligence efforts was upon military questions, particularly the military capabilities of our potential enemies. As the accuracy and timeliness of collection systems has improved, the uncertainties and fears resulting from large gaps in knowledge of potential enemies' military forces capabilities have diminished. In a time of peace, it is quite natural that political and economic questions have become dominant concerns. We are in a period of relative peace and can look forward to a period of continued peace. Consequently, it is in the area of better political and economic intelligence collection and rigorous independent analysis that the need for greater improvements is most evident. This is not to say that military questions, of course, will not remain extremely important.

Our national intelligence system has a different purpose from the intelligence required by particular departments such as the Department of Defense, whose primary role is to provide an adequate force structure to meet and overcome the forces of any potential enemies. The Department of Defense quite properly focuses on information concerned with military threats. A national intelligence system is required to view the world in its totality and not simply from the perspective of threat. The problems that will face the United States in the future will sometimes be military threat, they will sometimes concern political and economic opportunity, on still other occasions the

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United States interest may sometimes best be served by some effort to bridge some cultural differences.

You in the Intelligence Community are well aware of how events can be influenced by the framework in which they are presented. The advances made in technology including our new real time systems bring tangible events in the world almost immediately to the attention of policymakers. We know very quickly the movements of armies or fleets. This is critically important information. A President, Secretary of State, the NSC, the Congress, must know these military facts, but equally important and at times, far more important, we need to know the politics and economics, the cultural reasons for events that impinge upon our national interests.

In pressing for a stronger national intelligence system whose purpose is to bring together many perspectives, I am keenly aware of providing for a flexible system, so that in time of crisis or war the capabilities of our intelligence system can be applied to meet the demands of the crisis or the war.

In the drafting of the necessary statutes for our future national intelligence system, the Select Committee will make every effort to see that this flexibility will be built into our national intelligence system.

In speaking of the necessity for statutory charters, the Committee is in full agreement with the President that comprehensive statutory charters and revised Executive Orders are required to assure that the United States has the most efficient and effective intelligence system -- a system that functions within the Constitution and the law.

I want to see the main ideas for a Central Intelligence Agency contained in the 1947 Act become a reality. I think our nation deserves a national intelligence system which can perform with effectiveness, strict accountability to the Constitution and the law -- to carry out the meaning of what you all know as "services of common concern." On the basis of the Committee's review of the major studies of the organization of the Intelligence Community undertaken since the early 1950's, our examination of intelligence activities of embassies and consulates and installations elsewhere, scrutiny of the performance of the various key entities that comprise the national intelligence community, namely: NSA, NRO, CIA,

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the counterintelligence section of the FBI, and the major analytic groups from State, Defense, and Treasury, I have come to the following conclusions: That the coordinating functions and the task of performing "services of common concern" assigned by the 1947 Act, have not been realized. Why is it that the DCI has not been able to perform his assigned tasks of coordinating the activities of our national intelligence system? It would seem that there are two main reasons: First, the emphasis of the CIA since 1947 on clandestine activities, and further, the reluctance of other entities within the Intelligence Community to fully respond to a DCI leadership which did not in fact have clear budgetary and management authority over them.

In my view, there is a need for a strong director of national foreign intelligence assigned clear and unequivocal authority and responsibility to perform services of common concern for the government as a whole. It is important to recognize that there are dangers in centralizing authority and responsibility in one individual. The statutes and Executive Orders contemplated providing authority and responsibility to a director of national intelligence would also contain rigorous review procedures within the Intelligence Community, the NSC, and effective oversight within the Congress to assure that the activities of a national foreign intelligence system would be confined to those prescribed by law and consistent with the Constitution. Of course, strong independent centers of analysis in the separate departments and agencies will be a fundamental requirement.

It is my view that there is a need for a director of a national intelligence system who has both the responsibility and authority to make the resource decisions and to set priorities and to be kept accountable for his actions. Without such a focus, potential for improvement in intelligence management and the quality of intelligence estimates and analyses will be seriously limited. Unless such responsibilities and authorities are clearly delineated, various separate entities within the bureaucracy will continue to be able to challenge, modify, and delay tough decisions.

I believe that there is a particular need to assign the Director of National Intelligence responsibility for the coordination of intelligence collection, both technological and human. It is in this area of greatest expenditure, where firmer decisions and more objective judgments must be made.

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In my view, there is a vital need to restore a viable national estimates process calling upon the best minds of this nation. It will also be necessary to assure that the estimative process remains protected from political pressures and that analysis is rigorously free of policy preferences. It would be useful to the country and a greater service to the President and the Congress to strengthen the estimative process by making the Director of National Intelligence responsible for and providing him with the means to produce estimates, current intelligence and analysis. At the same time, I believe that the key analytic groups in the departments and agencies that are served by the national Intelligence Community such as State, Defense, Treasury, and the NSC, should be kept fully and currently informed of all relevant information. While the national estimative process should be assigned to the Director of National Intelligence, strong competing centers of analysis are obviously desirable.

The Committee has worked very closely with the Vice President, the NSC, and the various intelligence agencies in developing draft statutes and Executive Orders. These draft statutes are the result of the advice and counsel of many of the major figures who have guided our country's efforts in intelligence, foreign policy and defense, over the past three decades. The draft statutes have also benefited from the advice of the scholarly and legal communities.

The overwhelming opinion I have received is that the 1947 Act creating the CIA is now inadequate and that a new statutory framework for national intelligence is required. I believe statutes should establish a Director for National Intelligence subject to the direction of the President and the NSC who would set priorities for, allocate resources to, and have responsibility for, the NSA, NRO, and the CIA. While ultimate authority and responsibility for these entities would be given to the Director of National Intelligence, \*day-to-day management would remain in the hands of their present leadership. The Director of National Intelligence will need four deputies to assist him in the following tasks: technological collection, overseas operations including counterintelligence, covert action and sensitive collection; current intelligence and national estimates; and budget and evaluation.

We as a nation are very fortunate to have been given the benefit of a space of time to make a relatively dispassionate assessment of the performance of our intelligence system. The Executive branch and the Legislature is now able to weigh jointly the experience of the past with the needs of the future,

*\* This does not mean SecDef but those professionals currently in charge -*



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and to take steps which will strengthen our intelligence system both by making it more capable, giving it greater means of collection information, improving the quality of its reports and the vigor and independence of its analyses, but to do all this within the Constitution and the law. The purpose of all our institutions of government is to strengthen our free democratic society. I know that you will work with us in our efforts to create better means for our national intelligence system to continue its contribution to the strength of our nation.

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Executive Secretary

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